

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 7, 2003

TO: Honorable Kent Grusendorf, Chair, House Committee on Public Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB495 by Grusendorf (Relating to the administration by school districts of college preparation achievement assessment instruments to certain students.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB495, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2004 | \$0 |
| 2005 | \$0 |
| 2006 | (\$9,800,000) |
| 2007 | (\$9,800,000) |
| 2008 | (\$9,800,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from GENERAL REVENUE FUND 1 |
|--------------------|--|
| 2004 | \$0 |
| 2005 | \$0 |
| 2006 | (\$9,800,000) |
| 2007 | (\$9,800,000) |
| 2008 | (\$9,800,000) |

Fiscal Analysis

The bill requires the Texas Education Agency (TEA) to administer to students in grades 8, 10, and 12 a nationally normed and curriculum-based achievement assessment instrument. The bill would take effect beginning with the 2005-06 school year.

Methodology

Due to the effective date of June 1, 2005, the bill has no fiscal implications for the 2004-05 biennium. For fiscal year 2006 and beyond, TEA would meet the requirements of the bill by purchasing the ACT package of assessments that are given in grades 8, 10, and 12. Currently, the cost of the grade 8 test is \$6.50 per test, the grade 10 test is \$7.25 per test, and the grade 12 test is \$25 per test. With 830,000 students in grades 8, 10, and 12, the annual cost for the tests as required by the bill would be \$9.8

million. With statewide adoption of these tests, it is possible that the state could lower its costs significantly by negotiating a discounted rate, but potential cost reductions in this area cannot be estimated at this time.

Technology

There are no significant fiscal implications for the agency's technology costs.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Districts may face additional costs to administer the tests and report the data to TEA, but these costs are not likely to be significant.

Source Agencies: 701 Central Education Agency

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